Mission Report

(WTO Trade Facilitation Negotiating Group meeting on 6 and 7 June 2006)

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The WTO Trade Facilitation Negotiating Group Meeting was held in Geneva on 6 and 7 June 2006. The WCO Secretariat, along with the Secretariats of IMF, OECD, UNCTAD and World Bank [1], was invited to attend the meeting. It was quite well represented by the WTO Members. Several WTO members were represented or supported by a Customs officer based in Geneva, Brussels or the Capitals (they included China, Chinese Taipei, EU, India, Japan, Korea, Malaysia, New Zealand, Pakistan, Philippines, South Africa, Sri Lanka, Turkey, US).

The WTO Negotiating Group discussed 17 new documents. The documents tabled at this meeting were as follows:

Proposal specific to GATT Articles VIII and X
Most of them contain a textual proposal for future WTO commitments, so called “3rd generation proposals”. Some of the papers remain mere compilation of previous proposals (2nd generation). The papers fallen under this category are as follows.
· Publication and availability of information
· Prior publication and consultation
· Advance ruling
· Appeal procedures
· Impartiality
· Fees and charges
· Use of commercially available information and of: Pre-shipment inspections
· Single Window
· Use of copies
· Transit (different proponents)

More proposals were anticipated on different topics or on the same agenda (e.g., advance rulings). For example, a non-paper on the use of international standards was circulated at the meeting room but not for the negotiations at this session. The paper was used in the lunch-time workshop (see below).

Cross cutting issues
This category covers proposals dealing with the modalities of commitments, S&D, technical assistance and capacity building, and dispute settlement mechanism.
· Phases of a proposed implementation mechanism

1. Points to note in the negotiations Scope and subject areas
Most of the proposals at this session used the words “relevant border agencies” or “Customs and other border agencies”. Some WTO members pointed out that the scope of the existing GATT Articles V, VIII and X was wider than Customs.

With respect to the Release Time of Goods, there was a debate on what to measure: the proponents suggested the time spent for entire import process, i.e., between the arrival of goods (arrival of means of transport) to release of goods from the government custody while some countries argued that only the time taken by the Customs would be sufficient. Similar debate was made on fees and charges.

Terms used in the text
Several terms used in the text proposals attracted questions. They included “major trade related procedures”, “interested parties”, “legitimate policy objectives”, “readily available”, “proportionate”,

"Customs brokers, Customs agents and Customs declarants", "common standards". They would be clarified in the future negotiations.

**Issue of integrity**
The paper on impartiality (i.e., issue of integrity) was not well received by several WTO members. Some delegations questioned its relevance to the WTO rules. Others questioned its maturity; the paper tabled was mere compilation of the previous papers whereas many of the other papers contain draft text of commitments.

**Single Window**
The proponents of Single Window / one-time submission defined a single entry point as the "Single Window". They firmly stated that use of ICT is not necessary pre-requisite of the Single Window.

**Phasing out of Pre-shipment inspection**
One delegation argued that the PSI was introduced to his country under the IMF adjustment program. It basically agreed with the proposal of phasing out of pre-shipment inspection but urged the coherent action amongst the international organizations on this matter. The World Bank explained that their conditionality does not contain the use of PSI. It emphasized the importance of medium and long-term capacity building in Customs. Few exceptions may be in an exceptional case, such as, post-conflicts or certain emergency cases.

**Reference to the WCO instruments**
The WCO instruments were often referred in the proposals or their introduction. These proposals included revised Arusha Declaration (impartiality), revised Kyoto Convention (use of commercially available information and of copies, pre-arrival processing, authorized traders, transit), Time Release Study (release time of goods), HS (objective criteria for tariff classification), Istanbul Convention (transit), Data Model (transit). In the negotiations on authorized traders, one delegation also suggested SAFE Framework of Standards as an instrument too. The non-paper on use of international standards, which was not discussed by the Negotiating Group this time, covered the revised Kyoto Convention, HS Convention, Istanbul Convention, Data Model (in brackets), Immediate Release Guidelines, Time Release Study Guide, Risk Management Guidelines.

**Cross-cutting issues**
A non-paper based on the proposal (TN/TF/W/81) was introduced. It was co-sponsored by certain number of developing and developed WTO members. The paper indicated the timeline of the implementation phase of the WTO obligation after the signature of the agreement. According to a proponent, the framework made possible the tailor-made commitments depending on the individual countries situation; no cut-off date; linkage between the implementation capacity and support for capacity building, i.e., if no capacity and no support for capacity building, no commitments.

Certain developing countries pointed out that the non-paper ignored the commitments of the provision of the capacity building during the negotiations in the previous WTO decisions which was the commitments of the July Package’s Annex D and Hong Kong Ministerial Declaration’s Annex E

**Other international organizations**
The World Bank made an oral progress report on its WTO TF negotiations support project. It intended to make an interim report at the WTO meeting in July and final report to the WTO after the summer brake. UNCTAD introduced its TA/CB calendar. Both organizations, in their intervention, appreciated the contribution of the WCO to their activities.

**Suggested future work plan**
The chairman urged the submission of 3rd generation proposals and if there were more than two proposals on the same issue (e.g., Advance rulings, Transit, S&D) he invited the proponents to
explore the efforts to consolidate them into one proposal. He maintained the aspiration that the Negotiating Group would produce a package of draft text of trade facilitation commitments in July without prejudice the conclusion of the negotiations. He insisted that it would not be his job or the WTO Secretariat work to produce the text but it would be the WTO members to do so. He invited the WTO members to submit the text proposals before the end of June which would receive higher priority for translation into all the WTO official languages (English, French and Spanish).

Next meeting will be held on 24-26 July and all the Annex D organizations were invited to the meeting. Chairman informed that an informal inter-sessional meeting would be held on 10-11 July to which any observer was not invited.

2. Other meetings Inter-agency meeting on WTO related Technical Assistance
Secretariats of Annex D organizations and the WTO gathered in the morning of 7 July to exchange information and views on their WTO negotiations related workshops and projects. The WCO was invited to 7 WTO regional workshops (3 workshops finished); 7 World Bank/IMF projects supporting the negotiations (2 missions finished); 3 UNCTAD regional seminars (1 seminar finished); and 1 OECD workshops for West Africa region. Besides, UN agencies will hold an annual Trade Facilitation Expert meeting in Geneva in October 2006 (provisionally, 16-19 October), which will immediately followed by the ASYCUDA World Session.

Informal workshop on Use of International Standards
There was a lunchtime workshop on the use of international standards on 7 July organized by certain WTO members. The aim of this workshop was to have the other WTO members familiarized the issue. The WCO was invited to this workshop as a speaker and gave presentation and Q&As (see presentation slides). In its presentation, the WCO promoted its instruments, notably, the revised Kyoto Convention and emphasized the importance of creating a mutually supportive work relationship between the two organizations. It also conveyed the messages which the Customs community believes the best for this end. These messages, including the importance of impartial application of the WCO instruments, keeping the expertise and interpretation authority in the WCO, different scope (WTO looking at trade procedures while the WCO looking at Customs procedures), were apparently well received by the participants.

Several participants stated that the WTO should have no intention to replace the expert organizations’ work. It argued that the interpretation of the international instruments developed and maintained by the other international organizations and the parts thereof should remain in these organizations. One participant implied a future WTO obligation to use the international standards where WTO members have right not to use them but they have to be accountable of not using them. The WTO will interpret if such reason of non-use is consistent with the WTO commitments. He said that the WTO and standard-setting organization would work in a mutually supportive manner.

[1] Five organizations are often called “Annex D organizations”.